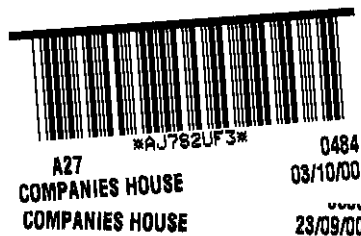


MERCURY RESOURCES (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY 1999



MERCURY RESOURCES (UK) LIMITED

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MERCURY RESOURCES (UK) LIMITED

COMPANY INFORMATION

DIRECTOR	RICHARD OSBORN
SECRETARY	GWENDOLEN OSBORN
REGISTERED OFFICE	3 East Street Titchfield Fareham PO14 4AD
REGISTERED NUMBER	2888172
ACCOUNTANTS	J LEE MANAGEMENT 62 Park Road Freemantle Southampton SO15 3DE

MERCURY RESOURCES (UK) LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 1999

1998			1999
		note	
60,134	TURNOVER	1	48,167
54,295	COST OF SALES		42,797
<u>5,839</u>	GROSS PROFIT		<u>5,370</u>
4,974	ADMINISTRATIVE EXPENSES		4,250
<u>865</u>	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,120</u>
186	TAX ON ORDINARY ACTIVITIES		235
<u>679</u>	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>885</u>
<u>679</u>	RETAINED PROFIT FOR THE FINANCIAL PERIOD		<u>£ 885</u>

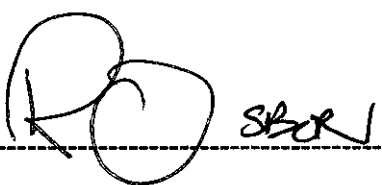
MERCURY RESOURCES (UK) LTD

BALANCE SHEET
AS AT 31ST JANUARY 1999

1998		1999
	note	
CURRENT ASSETS		
4,934	Trade Debtors	10,630
2,407	Balance at Bank	0
<u>7,341</u>		<u>10,630</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
3,417	Creditors and Accruals	5,237
0	Bank Overdraft	584
<u>3,417</u>		<u>5,821</u>
<u>7,341</u>	NET CURRENT ASSETS (LIABILITIES)	<u>4,809</u>
<u>7,341</u>	TOTAL ASSETS LESS LIABILITIES	<u>4,809</u>
 Represented By:		
CAPITAL AND RESERVES		
2	Called Up Share Capital	2
3,243	Retained Profit Brought Forward	3,922
679	Retained Profit for the Financial Year	885
<u>3,924</u>		<u>4,809</u>

MERCURY RESOURCES (UK) LIMITED

1. For the year ended 31st January 1999 the Company was entitled to the exemption conferred by sub-section (1) of section 249A of the Companies Act 1985.
2. No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985.
3. The directors acknowledge their responsibility for:
 - a) Ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985.
 - b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.
4. In preparing these accounts we have relied upon the exemptions of individual accounts provided by section 246 (or schedule 8 para 23) and we have done so on the grounds that the Company is entitled to those exemptions as a small company.



A handwritten signature, appearing to be 'R Osborn', is written over a horizontal dashed line.

RICHARD OSBORN (DIRECTOR)

20 Sept 2000

DATE

MERCURY RESOURCES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 1999**

1. ACCOUNTING POLICIES

a) ACCOUNTING BASIS AND STANDARDS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) TURNOVER

Turnover represents total value of design engineering services provided.

d) DEFERRED TAXATION

No provision for deferred taxation has been made in this year.

2. SHARE CAPITAL

AUTHORISED

1,000 Ordinary shares of £1 each.

ALLOTTED, ISSUED AND FULLY PAID

2 ordinary shares of £1 each.

MERCURY RESOURCES (UK) LIMITED
DIRECTORS REPORT

The directors have pleasure in presenting their report and financial statements for the period ended 31st January 1999.

Principal Activities

The principal activity of the company continues to be that of provision of electrical engineering and associated services.

Statement of Director's Responsibilities

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the profit and loss of the company for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements based on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors and their interests

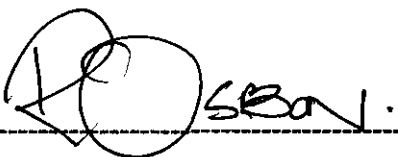
The directors who served during the year and their beneficial interests in the company's issued share capital were as follows:

	<u>Ordinary shares of £1 each</u>	
	31/01/99	31/01/98
I Houghton	0	1
J Osborn	0	1
R Osborn	2	0

Exemption Statement

The accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 29/09/2000 and signed on its behalf by



R OSBORN (DIRECTOR)